

Report #2: STATEMENT OF REVENUES, EXPENSES AND NET WORTH

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
MEMBER MONTHS.....	XXX	875,874	935,311
REVENUES:			
1. Premium (Net of \$ .....1,152,735 Reinsurance Premiums Ceded).....	XXX	162,168,758	172,415,457
2. Fee-For-Service (Net of \$ .....0 Medical Expenses.....	XXX	0	
3. Risk Revenue .....	XXX	0	
4. Net Investment Income (Including \$ .....(217,039) Net Realized Capital Gains or (Losses)).....	XXX	1,460,189	1,228,123
5. Aggregate Write-ins for Other Health Care Related Revenues .....	XXX		
6. Aggregate Write-ins for Other Revenues .....	XXX	52,527	39,066
7. TOTAL REVENUES (Lines 1 to 6) .....	XXX	163,681,474	173,682,646
EXPENSES:			
Medical and Hospital:			
8. Physician Services .....	991,366	36,030,060	42,878,469
9. Other Professional Services .....	1,776,735	47,315,854	59,674,228
10. Outside Referrals .....		0	
11. Emergency Room and Out-of-Area .....	7,572,850	41,547,924	
12. Inpatient.....	714,149	8,908,461	38,664,002
13. Incentive Pool and Withhold Adjustments .....		(1,384,029)	(172,839)
14. Occupancy, Depreciation and Amortization .....		0	
15. Aggregate Write-ins for Other Medical and Hospital Expenses .....		20,094,197	23,255,084
16. Subtotal (Lines 8 to 15) .....	11,055,100	152,512,467	164,298,944
LESS:			
17. Net Reinsurance Recoveries Incurred.....		711,962	1,451,305
18. Copayments .....		4,505,505	
19. COB and Subrogation .....		4,586,423	3,027,604
20. Subtotal (Lines 17 to 19) .....		9,803,890	4,478,909
21. TOTAL MEDICAL AND HOSPITAL (Line 16 minus 20) .....	11,055,100	142,708,577	159,820,035
Administration:			
22. Administration Expenses.....		16,924,639	15,873,255
23. TOTAL EXPENSES (Lines 21 and 22) .....	11,055,100	159,633,216	175,693,290
24. INCOME (LOSS) (Line 7 minus Line 23) .....	XXX	4,048,258	(2,010,644)
25. Extraordinary Item .....			
26. Provision for Federal Income Taxes .....	XXX	815,999	(745,974)
27. NET INCOME(LOSS) (Line 24, minus Lines 25 and 26) .....	XXX	3,232,259	(1,264,670)
DETAILS OF WRITE-INS			
0501. ....	XXX		
0502. ....	XXX		
0503. ....	XXX		
0598. Summary of remaining write-ins for Line 5 from overflow page .....	XXX		
0599. TOTALS (Lines 0501 thru 0503 plus 0598)(Line 5 above) .....	XXX		
0601. OTHER INCOME.....	XXX	52,527	39,066
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX		
0699. TOTALS (Lines 0601 thru 0603 plus 0698)(Line 6 above) .....	XXX	52,527	39,066
1501. PHARMACY COSTS.....		19,923,213	23,186,281
1502. PHARMACY ADMINISTRATIVE FEES.....		101,984	0
1503. TRIAGE CAPITATION.....		50,000	0
1598. Summary of remaining write-ins for Line 15 from overflow page .....		19,000	68,803
1599. TOTALS (Lines 1501 thru 1503 plus 1598)(Line 15 above) .....		20,094,197	23,255,084

Report #2: STATEMENT OF REVENUES, EXPENSES AND NET WORTH  
(Continued)

		1	2
		Current Year	Prior Year
NET WORTH:			
28.	Net Worth Beginning of Year.....	14,653,484	12,517,863
29.	Increase (Decrease) in Common Stock .....	0	
30.	Increase (Decrease) in Preferred Stock .....		
31.	Increase (Decrease) in Paid in Surplus .....	0	2,000,000
32.	Increase (Decrease) in Contributed Capital .....		
33.	Increase (Decrease) in Surplus Notes .....	0	681,808
34.	Increase (Decrease) in Contingency Reserves .....		
35.	Increase (Decrease) in Retained Earnings/Fund Balance:		
	a. Net Income .....	3,232,259	(582,861)
	b. Dividends to Stockholders .....		
	c. Interest on Surplus Notes .....		(681,808)
	d. Change in Non-Admitted Assets (Exhibit 1).....	(1,124,775)	718,482
	e. Change in Unauthorized Reinsurance.....		
	f. Unrealized Capital Gains and Losses .....		
	g. Aggregate Write-ins for Changes in Retained Earnings .....		
36.	Aggregate Write-ins for Changes in Other Net Worth Items .....	(85,171)	
37.	NET WORTH END OF YEAR (Lines 28 to 36)	16,675,797	14,653,484
DETAILS OF WRITE-INS			
35g01.	.....		
35g02.	.....		
35g03.	.....		
35g98.	Summary of remaining write-ins for Lines 35g from overflow page .....		
35g99.	TOTALS (Lines 35g01 thru 35g03 plus 35g98) (Line 35g above)		
3601.	CHANGE IN AVR - SURPLUS.....	(85,171)	0
3602.	.....		
3603.	.....		
3698.	Summary of remaining write-ins for Line 36 from overflow page .....		
3699.	TOTALS (Lines 3601 thru 3603 plus 3698) (Line 36 above)	(85,171)	